

**SOUTH BEND REDEVELOPMENT COMMISSION
REGULAR MEETING**

December 10, 2015

9:30 a.m.

Presiding: Marcia Jones, President

227 West Jefferson Boulevard
South Bend, Indiana

The meeting was called to order at 9:30 a.m.

1. ROLL CALL

Members Present:

Marcia Jones, President
David Varner, Vice President
Don Inks, Secretary
Greg Downes
Gavin Ferlic
John Anella

Legal Counsel:

Benjamin Dougherty, Esq.

Redevelopment Staff:

David Relos, Associate II
Tracy Oehler, Recording Secretary

Others Present:

Chris Fielding, Assistant Executive Director
Elizabeth Leonard-Inks, Director
Brook Zeeb, Director
Michael Davita, Associate
Sarah Heintzelman, Associate
Aaron Kobb, Associate
Angelina Billow, Associate
Conrad Damian
Kelli Stopczynski
Mark Seaman
Catherine Prugo
Don Schoenfeld
Mark Peterson
Michael Guljas
Mo Miller

2. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of Thursday, November 12, 2015

Upon a motion by Secretary Inks, seconded by Commissioner Downes the motion carried unanimously, the Commission approved the Minutes of the Regular Meeting of Thursday, November 12, 2015.

3. APPROVAL OF CLAIMS

A. Claims Submitted November 26, 2015

324 Fund River West Development Area

South Bend Tribune	253.66	Notice to Bidders
Kolata Enterprises LLC	3,990.00	Professional Services
Weaver Consultants Group	13,011.04	Ivy Tower
Hull & Associates	11,458.91	Extended General Consulting/Assessment & Remediation Ignition Park/Oliver Park
Rieth Riley Construction	138,514.33	Western Avenue Corridor Improvements
Sterling Products Inc.	690.00	Freight Charges
Jones Petrie Rafinski	770.00	Inspection Services for Catalyst 1 & 2
Alltra Corporation	327,696.05	Equipment Purchase for Nello

430 Fund South Side TIF Area No. 1

Lawson-Fisher Associates	624.59	Main/Lafayette Survey
South Bend Tribune	96.26	Notice to Bidders

\$497,008.58

B. Claims Submitted December 10, 2015

324 Fund River West Development Area

DLZ	530.00	Engineering
Torti Gallas and Partners	8,723.40	Downtown Mixed Used Block City
Kolata Enterprises LLC	1,575.00	Contractual Services - Environmental

429 Fund River East Development Area

Abonmarche Consultants	500.00	Colfax & Hill Drainage Improvements
------------------------	--------	-------------------------------------

\$11,328.40

Upon a motion by Vice President Varner, seconded by Secretary Inks the motion carried unanimously, the Commission ratified the Claims submitted November 26, 2015 and approved the Claims submitted December 10, 2015.

4. OLD BUSINESS

None.

5. NEW BUSINESS

A. River West Development Area

(1) Approval of Development Agreement for 108 North Main Street (JMS Development, LLC)

Mr. Fielding stated the Development Agreement finalizes the terms whereby the Redevelopment Commission will commit \$790,000 in River West Development Area TIF funding to assist in the renovation of the JMS Building and surrounding property including remediation of the failing vault located under the sidewalk along Main Street. The developer has committed to maintain the first floor as commercial/retail space with the second floor being maintained as commercial office space. Floors three through eight will be converted to approximately 52 market rate apartments.

Upon a motion by Vice President Varner, seconded by Commissioner Inks the motion carried unanimously, the Commission approved the Development Agreement with JMS Development, LLC, for 108 North Main Street in an amount of \$790,000.

(2) Approval of Parking Lot Lease and Option to Purchase for 410 South Main Street (Wayne Street Associates, LLC)

Mr. Fielding stated in September of 2014, staff presented the negotiated terms of an arrangement to dedicate the vacant lot at Main and Western to the potential new ownership of the One Michiana Square Building. The building has fallen into disrepair and the brokerage of the building was challenging without additional parking. The building is now under the new local ownership of Wayne Street Associates, LLC, who is seeking to close on the parking lot lease option. The terms of the agreement are as follows: 15 year initial term for \$1 per year with three five-year options to renew; Wayne Street Associates, LLC, will take the lot in as-is condition and make all improvements at its own expense, which is estimated to be \$60,000 to \$80,000; and they will have the option to purchase the lot at any time during the lease for \$25,000.

Vice President Varner inquired as to when the property would be returned to the tax rolls. Mr. Fielding responded once the Commission disposes a public asset to a private investor either by lease or sale, it goes back on the tax rolls though there is usually a two or three year lag.

Upon a motion by Commissioner Downes, seconded by Secretary Inks the motion carried unanimously, the Commission approved the Parking Lot Lease and Option to Purchase with Wayne Street Associates, LLC, for 410 South Main Street.

(3) Approval of Development Agreement for Improvements at the South Bend International Airport (St. Joseph County Airport Authority)

Mr. Fielding stated in June of 2014, staff presented the potential of attracting Corporate Wings, owned by Ken Ricci, to the South Bend International Airport. This has been an ongoing partnership with the St. Joseph County Airport Authority (Airport Authority) to utilize TIF funding to make the improvements to the ramp and tarmac that would accommodate the additional jets. Redevelopment's investment is set at \$1.5 million with the private investment estimated at \$6 million. The Airport Authority has offered to donate 66 acres of land at the intersection of Lincolnway

and the US 20 bypass to the City for future commercial development and will begin the voluntary annexation of the property prior to transferring the land.

Upon a motion by Vice President Varner, seconded by Commissioner Downes the motion carried unanimously, the Commission approved the Development Agreement for Improvements at the South Bend International Airport with the South Bend County Airport Authority in the amount of \$1.5 million.

The Redevelopment Commission agreed to hear the Progress Reports for Tax Abatements at this time.

6. Progress Reports

A. Tax Abatement

Mr. Fielding stated staff presented to the Common Council a 10 year tax abatement for the property commonly known as Buildings 112 and 113. This is a partnership between Kevin Smith and Kite Development for renovations of approximately 202,000 square feet with a private investment of \$17 million. At the next Council meeting, the confirming resolution will be brought forward for approval.

5. NEW BUSINESS (continued)

A. River West Development Area

(4) Approval of Professional Services Agreement for Smart Street Illustrations (Gilbert Gorski Architectural Design & Illustration)

Mr. Davita stated the illustrations or perspective views will be an important component of sharing the Smart Streets vision with the general public and will serve a key role during the implementation of the two way street conversion project set to begin in the spring of 2016. The perspective views will be used in marketing the project as well as in the construction signage where appropriate.

Upon a motion by Commissioner Downes, seconded by Secretary Inks the motion carried unanimously, the Commission approved the Professional Services Agreement for the Smart Street illustrations with Gilbert Gorski Architectural Design & Illustration in the amount of \$4,500.

(5) Approval of Professional Services Agreement for the Hall of Fame Plaza (Richard Economakis Architectural Design)

Mr. Davita stated the conceptual design work is related to the redesign of the plaza or gridiron by the former College Football Hall of Fame. The area currently serves as the informal town square or gathering space for the community. It is used for several public events throughout the year and its profile will only increase with the

construction of the new Courtyard at Marriott. The conceptual design of a new and improved public space will allow better integration of the space in relation to the hotel and the downtown area.

Upon a motion by Secretary Inks, seconded by Commissioner Downes the motion carried unanimously, the Commission approved the Professional Services Agreement for the Hall of Fame Plaza with Richard Economakis Architectural Design in the amount of \$13,000.

(6) Approval of First Amendment to the Development Agreement (Manufacturing Technology, Inc.)

Ms. Heintzelman stated on October 29, 2015, the Commission approved a Development with Manufacturing Technology Incorporated (MTI), which provided funding for their expansion to a new facility on Sheridan and Linden. MTI is currently growing their presence in the South Bend area and part of that growth requires a redundant feed of the Metronet at their West Washington Street facility, which was included as part of the original Development Agreement. This First Amendment will grant an easement for the installation of the redundant Metronet line at their Washington Street site.

Upon a motion by Commissioner Downes, seconded by Commissioner Ferlic the motion carried unanimously, the Commission approved the First Amendment to the Development Agreement with Manufacturing Technology, Inc.

(7) Approval of Professional Services Agreement for Structural Assessment of the 500 Block of South Michigan Street (Kil Architecture Planning)

Mr. Zeeb stated the Professional Services Agreement is to provide a structural and architectural assessment of the three buildings located in the 500 block of South Michigan Street, commonly referred to as Fat Daddy's block. The main section of these properties was acquired in 2007 in an effort to have them redeveloped and put back into productive use. Phase I of the proposal will analyze and document the current condition of the buildings to determine the structural integrity of the roofs, walls, floor framing, and foundations. Based on the findings of Phase I, Phase II would develop preliminary plans and specifications for the reuse of the site. Fees for Phase I are \$23,000 and based on the findings, Phase II fees could be up to \$24,000 in addition to reimbursable expenses in a not-to-exceed amount of \$1,000.

Upon a motion by Secretary Inks, seconded by Vice President Varner the motion carried unanimously, the Commission approved the Professional Services Agreement for the Structural Assessment of the 500 Block of South Michigan Street with Kil Architecture Planning in the not-to-exceed amount of \$48,000.

(8) Approval of Subordination Agreement and Security Agreement Regarding Nello Corporation (Industrial Revolving Fund of South Bend)

Mr. Zeeb stated in 2014, staff brought a Development Agreement with Nello Corporation (Nello), which created 524 jobs and \$50 million in new commercial investment. Nello's contractors experienced delays in building construction, which has created a need for Nello to ramp up production more rapidly upon completion of the building. The proposed ownership interest subordination is a partnership between the Redevelopment Commission and the Industrial Revolving Fund (IRF). The IRF is an economic development tool designed to assist and promote growth in local manufacturing.

The IRF will take a first position ahead of the Commission's purchase security interest to secure a working capital loan of \$1,400,000 for Nello. It will require the IRF to provide any material updated to the Commission.

Upon a motion by Vice President Varner, seconded by Commissioner Downes the motion carried unanimously, the Commission approved the Subordination Agreement and Security Agreement with the Industrial Revolving Fund of South Bend regarding the Nello Corporation.

B. River East Development Area

(1) Approval of Project Agreement for Howard Park (South Bend Board of Park Commissioners)

Mr. Zeeb stated the Project Agreement for Howard Park is a partnership between the Redevelopment Commission and the Parks Department. It is a joint effort for the demolition; design and engineering; and construction and equipping of a new ice rink facility at Howard Park. Additionally, the Agreement allows the Department of Community Investment to have input in the Howard Park Master Planning process and all phases of any related construction to ensure it conforms to the overall River East Development Area plan and compliments the investments made the Commission.

Upon a motion by Commissioner Ferlic, seconded by Commissioner Downes the motion carried unanimously, the Commission approved the Project Agreement for Howard Park with the South Bend Board of Park Commissioners in a not-to-exceed amount of \$1,550,000.

C. Ratification of Second Amendment to Agreement to Buy and Sell Real Estate (Cohn & Cohn Investments, LLC)

Mr. Dougherty stated the Commission previously approved the ratification of the First Amendment to Buy and Sell Real Estate extending the due diligence period. Cohn & Cohn

Investments, LLC, needed additional time and the Second Amendment extends the due diligence period to March 1, 2016.

Upon a motion by Commissioner Downes, seconded by Commissioner Ferlic the motion carried unanimously, the Commission approved the ratification of the Second Amendment to Agreement to Buy and Sell Real Estate with Cohn & Cohn Investments, LLC.

6. PROGRESS REPORTS

Mr. Varner stated the Common Council approved additional funds in support of the Metronet. When discussions began, Metronet was supposed to a non-profit entity and over time, a for-profit entity, Metronet Zing, emerged. Concerns have been made about the use of the City's infrastructures and right-of-ways and whether or not Metronet Zing should be making payments like other entities do.

Mr. Relos gave an update on the PNA building demolition with the demo to be awarded at the next Board of Works meeting on December 15. As part of that demo, there were two billboards with one of the billboards attached to the building. Staff has been working with Burkhart Advertising to resolve the remaining lease left on the billboard and would like to payout the remainder in the amount of \$26,418. Staff is requesting to use money from the demo budget for the payout as the project would still come under the original approved budget.

7. NEXT COMMISSION MEETING

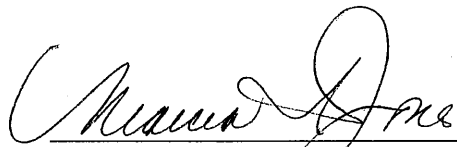
The Commission unanimously agreed to cancel the Thursday, December 24, 2015, with the next Commission meeting to be held on Thursday, January 14, 2016, at 9:30 a.m.

8. ADJOURNMENT

The meeting was adjourned at 10:10 a.m.



Brock Zeeb, Director of Economic Resources



Marcia I. Jones, President